



Iowa Department of Human Services

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Director

INFORMATIONAL LETTER NO.1816-MC-FFS

DATE: August 15, 2017

TO: All Iowa Medicaid Nursing Facilities

APPLIES TO: Managed Care (MC) and Fee-for-Service (FFS)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Nursing Facility Rate Rebase

EFFECTIVE: July 1, 2017

House File (HF) 653 appropriated funds for a rebase for nursing facilities effective July 1, 2017. The rebase will use updated cost information based on calendar year 2016 cost reports in accordance with Iowa Administrative Code (IAC) reports. The rebase will also include an inflation factor calculated to ensure estimated spending does not exceed the amount appropriated in HF 653.

The change in the inflation factor requires the Centers for Medicare and Medicaid Services (CMS) to approve a State Plan Amendment (SPA). Within 30 days of SPA approval:

- Rate letters for FFS services beginning July 1, 2017, will be mailed.
- FFS claims will be reprocessed by the IME.
- Managed Care Organizations (MCOs) will be notified of the rate changes. For the MCO effective date and impact on claim reprocessing, please refer to your provider contract with each MCO.

If you have any questions, please contact IME Provider Cost Audit and Rate Setting at 866-863-8610 or email at costaudit@dhs.state.ia.us.